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State of Utah

Department of  
Environmental QualityRichard W. Sprott  
Executive DirectorDIVISION OF WATER QUALITY  
Walter L. Baker, P.E.  
DirectorJON M. HUNTSMAN, JR.  
GovernorGARY HERBERT  
Lieutenant Governor

December 4, 2007

**CERTIFIED MAIL**  
**(Return Receipt Requested)**Mr. Bruce Hill, President & CEO  
UtahAmerican Energy, Inc.  
6750 North Airport Road  
P.O. Box 902  
Price, UT 84501

Dear Mr. Hill:

Subject: Third Payment Invoice for Salinity-Offset Program Funding  
Agreement, UPDES Permit Nos. UT0025674 - Centennial  
Mines; UT0024368 - Crandall Canyon Mine; and  
UT0025640 - West Ridge Mine.

Attached please find the third invoice regarding the Salinity-Offset Program Funding Agreement for the above referenced UPDES permits. As you are aware, the UtahAmerican Energy, Inc. (UEI) mine facilities, as referenced above by their respective UPDES Permits, are required to participate in and fund a salinity-offset program to compensate for the amount of salinity discharged from each facility which is above the one-ton/day permit limits.

With the Salinity-Offset Program Funding Agreement in place and the first two payments, of four total payments received essentially on schedule, the third payment from UEI is to be made in accordance with the payment schedule as outlined in paragraph 2 of the Funding Agreement. The third payment of \$250,000.00 is due on or before January 31, 2008. Therefore, please remit the full invoice amount by January 31, 2008 to:

Department of Environmental Quality  
Division of Water Quality  
Attn: Nicole Carrell  
P.O. Box 144870  
Salt Lake City, UT 84114-4870

Please be sure to include the invoice number with you remittance.

*Incoming*  
*c/007/0019*  
*c/015/0032*  
*c/007/0041*

**RECEIVED****DEC 05 2007****DIV. OF OIL, GAS & MINING**

Your continued efforts to remain in compliance with the provisions of your UPDES Permits are appreciated. If you have any questions, please contact me at (801) 538-6779, or by e-mail at [jstudenka@utah.gov](mailto:jstudenka@utah.gov).

Sincerely,



Jeff Studenka, Salinity Coordinator  
UPDES IES Section

Enclosure

cc (w/o Encl.):           Jennifer Meints, EPA Region VIII  
                                Laura Lockhart, Office of the Utah Attorney General  
                                Claron Bjork, SE Utah District Health Department  
                                Dave Ariotti, DEQ District Engineer  
                                Pam Grubaugh-Littig, Utah Division of Oil Gas & Mines  
                                Mark Quilter, Utah Department of Agriculture and Food  
                                Robert King, Utah Division of Water Resources  
                                Jack Barnett, Colorado River Basin Salinity Control Forum  
                                Dave Shaver, UEI Centennial, Crandall Canyon, and West Ridge Mines  
                                Mike McKown, Murray Energy Corp.  
                                Robert Moore, Murray Energy Corp.